

Service Date: December 16, 1988

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER Of the Request of )	
MONTANA-DAKOTA UTILITIES COMPANY, )	UTILITY DIVISION
a Division of MDU Resources Group,) )	DOCKET NO. 87.9.47(1)
Inc., to Delete its Thermal Zones )	ORDER NO. 5376a
15 and 99 And To Consolidate )	
Customers Located Within Those )	
Zones into Zone 14.	
_____ )	

FINAL ORDER

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FINDINGS OF FACT

1. On December 23, 1987, the Montana Public Service Commission (PSC or Commission) approved Order No. 5316 in Docket No. 87.9.47, which granted authority for Montana-Dakota Utilities Company (MDU or Company) to convert to therm billing in its gas operations and to establish thermal zones.

2. On October 7, 1988, the Commission received a request from MDU to delete its thermal Zones 15 and 99 and to consolidate those customers located within those zones into Zone 14. This filing was designated Docket No. 87.9.47(1).

3. In this filing, the Company states that it has been advised by Williston Basin Interstate Pipeline Company (WBIP), the

operator in the Hardin Field area, that production from the Hardin Field has been abandoned. Zone 15 was designated specifically to measure gas in the Hardin Field utilizing an annual sample test.

Zone 99 designated the town of Hardin and represented a composite weighting of gas delivered from Zone 14 and gas delivered from Zone 15. MDU states that Zone 14 was the primary source of gas received in Zone 99. MDU also says that the consolidation of these three thermal zones will continue to allow the Btu content of gas received in this geographical area to be adequately measured by the use of a calorimeter. There are no longer any operating conditions which require separate zones or testing facilities, according to MDU. A copy of the map showing this proposed change was attached in the filing for inclusion in the Company's tariff.

4. The proposed effective date is for bills rendered on and after October 14, 1988. Because MDU changes its billing Btu factors on the 10th workday of each month, this proposed effective date would allow this change to be made on the same date as the normal billing process changes. MDU contends that allowing this change on the same date as the monthly change in Btu factors should avoid additional customer confusion.

5. MDU requests that this filing be accepted as being in full compliance with the filing requirements of the Commission.

6. On October 28, 1988, the Commission, believing that MDU's assertions in this filing are accurate and that the proposed deletion of Zones 15 and 99 and the consolidation of the customers in those zones into Zone 14 are proper on an interim basis, approved MDU's above stated request in this filing on an interim basis in Interim Order No. 5376. In that Interim Order, the Commission stated that it would issue a Notice of Opportunity for Public Hearing in the near future and that if no requests for public hearing were received on this matter, the Commission would then issue a Default Order approving MDU's request on a final basis.

7. In Interim Order No. 5376, the Commission basically agreed with the comments of MDU concerning the most advantageous effective date to avoid customer confusion, and the Commission found that the proper effective date for that Interim Order would be the 10th workday of November, the 14th. This effective date, however, was on a services rendered basis, rather than on a bills rendered basis as was proposed by MDU. Approving this request on a services rendered basis is consistent with usual Commission practice and protects against retroactive ratemaking. In the meantime, customers in Zones 15 and 99 would continue to be billed using the same methodology as has been in effect until the effective date of Interim Order No. 5376.

8. On November 9, 1988, the Commission issued a Notice of Opportunity for Public Hearing in this proceeding. In that notice, the Commission said, "If any person having proper standing asks the Commission for a public hearing on this matter, the hearing will be scheduled by the Public Service Commission... If, however, no

hearing is requested by December 9, 1988, an appropriate order may be issued upon evidence submitted with the application." (Notice, page 3)

9. Having received no such requests for a public hearing in Docket No. 87.9.47(1), the Commission approves Interim Order No. 5376, which basically approves MDU's requests as filed, on a final basis in Final Order No. 5376a.

CONCLUSIONS OF LAW

1. Applicant, Montana-Dakota Utilities Company, provides natural gas service within the State of Montana and as such is a "public utility" within the meaning of Section 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's Montana rates and operations pursuant to Section 69-3-102, MCA, and Title 69, Chapter 3, Part 3, MCA.

3. The Commission has provided adequate public notice of all proceedings and opportunity to be heard to all interested parties in this Docket. Title 2, Chapter 4, MCA.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Applicant, Montana-Dakota Utilities Company, is hereby granted authority, on a final basis, to delete its thermal Zones 15 and 99 and to consolidate those customers located within those zones into Zone 14.

2. Rate schedules and maps filed in response to this Final Order shall comport with all Commission determinations set forth in this Final Order.

3. The effective date for this order is for services rendered on and after November 14, 1988.

4. The Commission accepts MDU's request that this filing is in full compliance with the filing requirements of the Commission.

5. All motions and objections not ruled upon are denied.

DONE IN OPEN SESSION at Helena, Montana, this 12th day of December, 1988, by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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Clyde T Jarvis

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Danny Oberg

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John B Driscoll

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Howard L Ellis

ATTEST:

Ann Purcell  
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.